

Feb

**WHITEHORSE COPPER
MINES LTD.**

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Report to the Shareholders
Quarter and Half Year ended
June 30, 1977

Head Office
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Vancouver, B.C. V7X 1G6

Mine Office
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Whitehorse, Y.T.
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TO THE SHAREHOLDERS:

Earnings —

A seven cent drop in copper price during the quarter necessitated a significant reduction in valuation of concentrate receivables, and resulted in a loss for the second quarter of 1977 of \$155,000, or 5¢ per share, compared with earnings of \$893,000, or 26¢ per share for the same period in 1976. For the six months ended June 30, 1977 earnings were \$68,000 or 2¢ per share, compared with earnings of \$1,035,000, or 31¢ per share for the same period in 1976.

Joint Venture Operations —

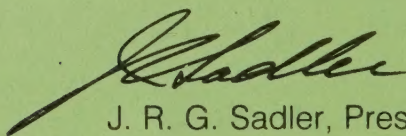
Mill throughput averaged 2427 tons per day, producing 6,557,587 pounds of copper.

The new 1300 level crusher system is performing well after a few startup problems. Most of the second quarter production was from the 1730 level and was processed through this system.

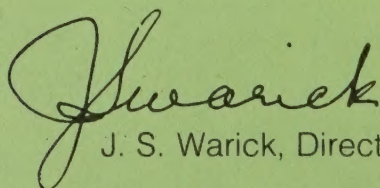
Third quarter production will continue from the 1730 level with a shift to #11 stope ore towards the end of the quarter.

Planning for extraction of ore from the Middle Chief zone commenced during the quarter.

ON BEHALF OF THE BOARD



J. R. G. Sadler, President



J. S. Warick, Director

July 21, 1977

JOINT VENTURE — OPERATING STATISTICS

	Three Months Ended June 30, 1977	Six Months Ended June 30	
		1977	1976
Tons of ore milled	220,893	428,200	485,000
Ore grade — % copper	1.67	1.43	1.71
Recovery of copper — %	89	88	90
Tons of concentrate produced	7,895	13,195	18,618
Concentrate grade — % copper	42	41	40
Pounds of copper produced	6,558,000	10,822,000	14,865,000
ESTIMATED VALUE OF PRODUCTION, including gold and silver, less treatment and marketing charges ...	3,267,000	6,924,000	8,647,000
Operating costs and administration	2,534,000	4,936,000	4,991,000
OPERATING PROFIT	<u>\$ 733,000</u>	<u>\$ 1,988,000</u>	<u>\$ 3,656,000</u>

The Company has a two-thirds interest in the joint venture

WHITEHORSE COPPER MINES LTD. — INTERIM STATEMENT OF EARNINGS

	Three Months Ended June 30, 1977	Six Months Ended June 30	
		1977	1976
Company's share of operating profit from joint venture	<u>\$ 489,000</u>	<u>\$ 1,325,000</u>	<u>\$ 2,437,000</u>
Deduct:			
Administration	21,000	42,000	34,000
Exploration	74,000	116,000	33,000
Interest — net	(1,000)	(4,000)	77,000
Provision for Yukon royalty	11,000	40,000	80,000
Depreciation and amortization	539,000	1,063,000	1,178,000
	<u>644,000</u>	<u>1,257,000</u>	<u>1,402,000</u>
NET EARNINGS (LOSS) FOR THE PERIOD	<u>\$ (155,000)</u>	<u>\$ 68,000</u>	<u>\$ 1,035,000</u>
Shares outstanding	3,389,302	3,389,302	3,384,002
Net earnings (loss) per share	(5¢)	2¢	31¢

(Prepared without audit)

**WHITEHORSE COPPER MINES LTD. —
STATEMENT OF CHANGES IN
FINANCIAL POSITION**

	Six Months Ended June 30	
	1977	1976
FUNDS WERE PROVIDED BY:		
Operations	\$1,131,000	\$2,213,000
Issue of Capital Stock	5,000	—
	<u>1,136,000</u>	<u>2,213,000</u>
FUNDS WERE USED FOR:		
Investment in joint venture	282,000	190,000
Reduction of long-term debt ...	3,000	5,000
	<u>285,000</u>	<u>195,000</u>
INCREASE IN WORKING CAPITAL		
	851,000	2,018,000
WORKING CAPITAL —		
Beginning of period	<u>3,323,000</u>	<u>1,204,000</u>
WORKING CAPITAL —		
End of period	<u>\$4,174,000</u>	<u>\$3,222,000</u>

(Prepared without audit)